

SPECIAL FUNDS APPROPRIATIONS - MAJOR CHANGES AND KEY RECOMMENDATIONS

The following schedule compares all funds and special funds appropriations included in the 2005-07 executive budget to the 2003-05 appropriations approved by the 2003 Legislative Assembly and lists major special funds sources changes:

	2003-05 Legislative Appropriations	Increase (Decrease) From 2003-05	2005-07 Executive Budget
All funds appropriations	\$5,059,377,155 ¹	\$485,977,589	\$5,545,354,744
Less general fund appropriations	1,803,661,161	203,340,108	2,007,001,269
Total special funds appropriations	\$3,255,715,994 ¹	\$282,637,481	\$3,538,353,475
Major special funds sources and changes include:			
Federal funds	\$2,098,195,002 ²	\$168,021,938	\$2,266,216,940
Department of Commerce	7,637,703	50,961,758	58,599,461
State Water Commission	120,556,546	(27,512,697)	93,043,849
Department of Transportation	330,012,729	17,152,855	347,165,584
Bank of North Dakota	29,778,279	15,926,518	45,704,797
Higher education	110,546,775	9,082,333	119,629,108
Office of Management and Budget	7,888,476	6,949,805	14,838,281
Main Research Center	27,542,552	6,942,890	34,485,442
Industrial Commission	36,966,806	6,399,009	43,365,815
Department of Corrections and Rehabilitation	17,263,725	5,388,202	22,651,927
Attorney General	4,444,560	4,282,197	8,726,757
Branch research centers	8,967,403	3,425,131	12,392,534
Children's Services Coordinating Committee	2,514,600	(2,514,600)	0
Other	453,400,838	18,132,142	471,532,980
Total	\$3,255,715,994	\$282,637,481	\$3,538,353,475

¹The amounts shown reflect special funds appropriation authority reductions as provided for in Section 3 of House Bill No. 1505 (2003).

²The amount shown is the total federal funds appropriated by the Legislative Assembly as reported by state agencies on a survey for the Budget Section completed in October 2004.

Major changes and key recommendations affecting 2005-07 special funds appropriations include:

- **Federal funds - \$168,021,938.** The executive budget recommends a federal fund increase of \$168 million, including increases of \$86.2 million for the Department of Human Services, \$27.7 million for the Department of Public Instruction, \$25.9 million for the Department of Transportation, and \$20.1 million for the Division of Emergency Management.
- **Department of Commerce - \$50,961,758.** The executive budget authorizes the department to borrow up to \$50 million from the Bank of North Dakota for providing grants to centers of excellence.
- **State Water Commission - (\$27,512,697).** The 2003 Legislative Assembly authorized the State Water Commission to issue bonds in an amount not to exceed \$60 million for state water projects. The decrease of special funds authority of \$27.5 million represents anticipated 2003-05 biennium water project expenditures paid for from bond proceeds.

- **Department of Transportation - \$17,152,855.** The executive budget provides funding for an additional \$34.4 million of federal highway construction funds requiring \$8.6 million of additional state matching funds.
- **Bank of North Dakota - \$15,926,518.** The executive budget recommends providing \$11 million for the construction of a new Bank building, a funding source change from the general fund to special funds of \$2,375,000 for the Ag PACE fund (\$1,425,000) and beginning farmers (\$950,000), and increasing operating expenses by \$1,122,559 primarily due to information technology operating needs.
- **Higher education - \$9,082,333.** The executive budget recommends increasing major capital project funding from special funds by approximately \$8.1 million. See "Higher Education" section for additional information.
- **Office of Management and Budget - \$6,949,805.** The executive budget recommends providing special funds spending authority from state bonding proceeds in the amount of \$3,155,000 for a new fire suppression system in the Capitol tower and providing special funds spending authority in the amount of \$1,800,000 for entering into a performance contract for a Capitol complex energy savings program. The executive budget also provides \$2,500,000 of special funds spending authority for addressing statewide salary equity issues.
- **Main Research Center - \$6,942,890.** The executive budget provides special funds from bond proceeds of \$2 million and from gifts, grants, and contracts of \$500,000 for a research greenhouse complex and recommends increasing funding for operations from gifts, grants, and contracts by \$4.7 million.
- **Industrial Commission - \$6,399,009.** The executive budget recommends increasing funding from special funds for bond payments by \$7,461,422 and decreasing special funds for lignite research and development by \$1,070,000.
- **Department of Corrections and Rehabilitation - \$5,388,202.** The executive budget recommends increasing special funds for Roughrider Industries by approximately \$3,650,000, of which \$2,600,000 is for a general issue of license plates, \$320,000 is for an industries building located at the Missouri River Correctional Center, and \$668,000 is for equipment. The executive budget also recommends capital assets funding of \$3,586,510 from state bonding proceeds.
- **Attorney General - \$4,282,197.** The executive budget recommends issuing bonds to provide \$3,632,691 to remodel and expand the state crime laboratory.
- **Branch research centers - \$3,425,131.** The executive budget recommends \$440,000 of bond proceeds for a new agronomy laboratory and greenhouse for the North Central Research Center and increases special funds spending authority from gifts, grants, and contracts by \$2.5 million.
- **Children's Services Coordinating Committee - (\$2,514,600).** The executive budget does not include funding for the Children's Services Coordinating Committee due to the discontinuation of the "refinancing" system of generating funding for the agency resulting from a federal appeals board decision regarding eligible claims for reimbursement under the federal foster care program.